



PRESS RELEASE

Attorney General Frosh Announces Settlement With Homes Direct, Inc.

Landlord agrees to stop illegal rental practices and to reimburse tenants

Baltimore, MD (June 22, 2016) -- Maryland Attorney General Brian E. Frosh announced today a settlement with Georgia-based real estate and property management company, Homes Direct, Inc. ("Homes Direct"). The settlement resolves the Office of Attorney General's investigation into Homes Direct's rental practices, including its use of rental agreements with an option to purchase residential properties in Maryland.

Homes Direct advertises its properties on the Internet and notes its expertise in landlord/tenant laws, but failed to comply with numerous provisions of Maryland law. Its residential leases contained illegal fees, illegal security deposit provisions, and other abusive terms. Some of Homes Direct's rental properties weren't habitable and lacked such essential utilities as hot and cold running water. Additionally, Homes Direct failed to comply with the Maryland Lead Risk Reduction in Housing Law.

"All tenants in Maryland have the right to hot and cold running water. All tenants in MD have the right to know their children are not exposed to lead paint poisoning," said Attorney General Frosh. "The Attorney General's office will continue to ensure that tenants in our state have safe and sanitary housing and are not subject to unfair and illegal lease terms."

In the settlement agreement, Homes Direct agreed to provide tenants new leases that comply with state law. The settlement also includes restrictions on Homes Direct's marketing and promotional activities, and requires Homes Direct to have a Maryland licensed attorney approve all of its Maryland real estate-related contracts, comply with the Maryland Lead Risk Reduction in Housing Law, and post a bond. Moreover, Homes Direct will pay restitution to each consumer who has or had lease-to-purchase agreements with Homes Direct, and will pay penalties and costs to the Division.

For more information about the settlement, Marylanders can contact the Consumer Protection Division at 410-576-6569. Tenants can learn more about their rights in Maryland by viewing the Office of Attorney General's "[Landlords and Tenants: Tips on Avoiding Disputes](#)" guide.